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COPY 7 OF 8

12 November 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Hyeon Corporation B Camera

1. The purpose of this memorandum is to summarize the results of a number of meetings, writings, and telephone conversations, which have taken place within the past year, involving representatives of HFB, Wright Patterson AFB, Bureau of Aeronautics and Hyeon, concerning ways and means of legitimizing the B configuration camera. The purpose was to permit Hyeon more latitude in its attempts to find further market for the photographic concepts involved.

2. Whereas we, as an Agency of the United States Government, do not ordinarily concern ourselves with the marketing attempts of a private company, it is necessary that we exert every care to assure that security restrictions imposed in connection with CHALICE Project do not react to the detriment of the U. S. Government or to the prejudice of a private company that has served us well. It is necessary that we assure that inaccurate conclusions as to the state of the art are not created in the minds of those government officials having the responsibility of making decisions in the field of photographic intelligence. It is necessary that we assure that government money is not needlessly wasted in R&D efforts, the basis for which would be unrealistic, had proven concepts utilized in project related hardware been given greater dissemination. It is necessary that we assure that the procurement methods peculiar to this Agency do not work to the prejudice of our contractors regardless of the fact that such methods may have given the contractor a distinct advantage in the initial transaction. Unless everything possible is done to avert these pitfalls, a situation scandalous in appearance is created, which might soon be the subject of congressional inquiry.

3. The B camera has never been utilized outside of the CHALICE and FOG communities. At present there does not exist a means of explaining its existence or proving its capabilities without relating it to the U-2 aircraft. To relate it to the U-2 aircraft would be disastrous to Project CHALICE as it would in effect admit that the U-2 has carried a camera capable of doing photographic reconnaissance. On the other hand, it would be highly desirable to find some program other than the CHALICE mission to which to attribute the B camera.

Navy and USAF have no objection to  
declassification and release.

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4. The Security Section has refused to permit Hyeon to show the B camera to non-CHALICE cleared persons or even to admit to its existence. On the other hand, Hyeon has been advised that Project Headquarters has no objection to them attempting to market the photographic concepts involved in the B camera, but that these concepts must be introduced on the basis of a verifiable proposal rather than as a proven piece of hardware already in existence. The security Section has also approved showing of sanitized B camera photography provided that in the showing it is not related to either the B camera or the U-2 program.

5. The Security Section has repeatedly advised officials of Hyeon that the B camera could be removed from the CHALICE system if a non-U-2 related usage could be developed for it and provided non-CHALICE related tests could be made of the hardware to prove its performance. Wishing not to prejudice Hyeon in their marketing attempts, we have arranged meetings between their representatives and cleared Air Force representatives (through Lt/Col. S. Brewer of Wright-Patterson) and Navy representatives (through *William Holcomb* of BuAer) to explore the subject of other usages for the B camera.

6. Our Air Force FOG representatives at Wright-Patterson AFB suggest that a cover story might be written attributing development of the B camera to the now defunct X-16 program. The X-16 was originally proposed by Bell Aircraft to accomplish for the Air Force the mission now performed by the U-2. The program, while still in the R&D phase, was cancelled in October 1955. The X-16 program represents an excellent medium to which development of a B camera might be attributed. The only problem remaining is that of testing the B camera (plus thin base film) in other than the U-2 aircraft. Neither the Air Force nor the Navy are willing at this time to put forth the necessary capital to modify any other aircraft to carry the B camera. Nor will they expend the necessary funds to ground test it. The Air Force Wright-Patterson Reconnaissance Laboratory states simply that they cannot see any possible use for the B camera. The Navy does have a possible usage in the field of submarine detection but refuse to expend any capital until the tests which are presently being run out of Edwards utilizing the U-2 to prove this capability have been completed.

7. It is the feeling of the Security Section that we have been more than cooperative with the Hyeon Corporation in this matter. We have given freely of our time and facilities. We have provided project U-2 aircraft and the Navy has made available Navy ships and submarines in order to test the feasibility of utilizing this or similar hardware in submarine detection. We have suggested individuals to be contacted and have stood ready to CHALICE clear appropriate persons where a feasible usage could be developed and

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where past CHALICE performance data would help support the proposal. We refuse to concur in the indiscriminate showing of the B camera and U-2 related photography to support a rather unimaginative sales promotion program.

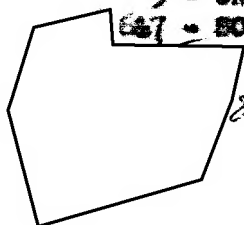
6. In the event that the results of the Navy-backed ASWS tests prove the concept unfeasible or ineffective, we propose to advise the president of Hycon Corporation over the signature of Mr. R. H. Bissell, that in the absence of a more concrete proposal from Hycon, we have gone as far as we can go with this matter.



Security Officer  
DPD-DD/P

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